

N E W S R E L E A S E

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Date: February 25, 2005

News Release No.: 05-05

California's Unemployment Rate Declines to 5.8 Percent **Payroll Employment Up 20,000 Jobs**

NOTE TO EDITORS: *Data contained in this news release have been updated using the March 2004 benchmark and differ from previously issued statistics. This is an annual revision process mandated by the U.S. Department of Labor.*

SACRAMENTO – California's unemployment rate was 5.8 percent in January, down from a revised 6.0 percent in December, the state Employment Development Department (EDD) reported today. A year ago, in January 2004, California's unemployment rate was 6.5 percent.

According to EDD's survey of employers, nonfarm payroll employment in California grew by 20,000 jobs over the month, for a total of 14,665,500.

According to the separate survey of households, the number of Californians holding jobs in January was 16,591,000. This was an increase of 11,000 from December, and up 272,000 from the employment total in January of last year.

The number of people unemployed in California was 1,016,000 – a decline of 35,000 over the month, and down by 127,000 compared with January of last year.

Of the unemployed, 494,500 were laid off, 80,500 left their jobs voluntarily, and the remaining were either new entrants or reentrants into the labor market, or persons who completed temporary jobs.

UNEMPLOYMENT INSURANCE CLAIMS (NOT SEASONALLY ADJUSTED)

In related data, the EDD reported that there were 418,919 people receiving regular unemployment insurance benefits during the January survey week. This compares with 394,832 last month and 494,526 last year. At the same time, new claims for unemployment insurance were 48,180 in January 2005, compared with 48,436 in December and 49,756 in January of last year.

The new, or benchmarked, payroll survey numbers show an annual average employment increase of 146,500 jobs from 2003 to 2004. The revised estimates (based on the March 2004 benchmark) show 14,538,800 employed in wage and salary jobs in 2004, an increase of 23,700 jobs from the previously reported estimate for 2004.

WAGE AND SALARY EMPLOYMENT DETAIL (SEASONALLY ADJUSTED)

EDD's report on payroll employment (wage and salary jobs) in the nonfarm industries of California totaled 14, 665,500 in January, a net gain of 20,000 jobs since the December survey. This followed a loss of 10,900 jobs (as revised) in December.

Eight of the categories (**construction; manufacturing; financial activities; professional and business services; educational and health services; leisure and hospitality; other services; and government**) added jobs over the month, gaining 28,600 jobs. The leisure and hospitality industry showed the largest gain, up by 14,800 jobs. Three categories (**natural resources and mining; trade, transportation and utilities; and information;**) reported job declines this month, down 8,600 jobs. Trade, transportation and utilities posted the largest decline over the month, down by 5,500 jobs.

In a year-over-year comparison (January 2004 to January 2005), nonfarm payroll employment in California increased by 235,800 jobs (up 1.6 percent).

Eight industry divisions (**construction; manufacturing; trade, transportation and utilities; financial activities; professional and business services; educational and health services; leisure and hospitality; and other services**) posted job gains over the year, adding 258,700 jobs. On a numerical basis, professional and business services showed the strongest employment growth, adding 62,400 jobs (a 3.0 percent increase). On a percentage of growth basis, construction showed the strongest gain, up 6.0 percent (adding 49,200 jobs).

Three categories (**natural resources and mining; information; and government**) posted job declines over the year, down 22,900 jobs. On a numerical basis, government employment showed the largest decline, down by 13,500 jobs (a decline of 0.6 percent).

WAGE AND SALARY EMPLOYMENT DETAIL (**NOT** SEASONALLY ADJUSTED)

Over the month, **trade, transportation and utilities** recorded the greatest non-seasonally adjusted loss, down by 107,900 jobs. Most of the losses were in the retail trade sector, which declined by 91,900 jobs.

The **professional and business services** industries reported the largest gain over the year, up 75,500 jobs. The largest gains were in the administrative and support services sector, primarily in employment services, which was up by 38,500 jobs. The largest decrease over the year was in **government**, which was down by 11,600 jobs. This included a loss of 4,600 jobs in federal government employment and 7,800 jobs in state government.

Seasonally adjusted payroll detail follows:

Industrial Classification	January 2005 (prelim.)	December 2004	January 2004	Change Over 12 months (Percent)
Nonagricultural Wage and Salary Workers . . .	14,665.5	14,645.5	14,429.7	1.6
Natural resources and mining . . .	22.9	23.2	23.0	-0.4
Construction . . .	870.8	870.3	821.6	6.0
Manufacturing . . .	1,538.3	1,535.1	1,532.0	0.4
Trade, transportation and utilities . . .	2,773.4	2,778.9	2,723.5	1.8
Information . . .	476.3	479.1	485.6	-1.9
Financial activities . . .	917.8	916.4	894.1	2.7
Professional and business services . . .	2,131.9	2,130.4	2,069.5	3.0
Educational and health services . . .	1,574.8	1,571.1	1,552.0	1.5
Leisure and hospitality . . .	1,468.8	1,454.0	1,428.0	2.9
Other services . . .	507.3	506.2	503.7	0.7
Government* . . .	2,383.2	2,380.8	2,396.7	-0.6
Agriculture . . .	372.6	368.3	381.0	-2.2

*Includes all civilian employees of federal, state, and local governments.

TABLE A
EMPLOYMENT AND UNEMPLOYMENT IN CALIFORNIA, SEASONALLY ADJUSTED DATA

	January 2005	December 2004	November 2004	January 2004
Civilian labor force * . . .	17,607,000	17,631,000	17,648,000	17,462,000
Total civilian employment . . .	16,591,000	16,580,000	16,592,000	16,319,000
Unemployment . . .	1,016,000	1,051,000	1,056,000	1,143,000
Seasonally adjusted rate % . . .	5.8	6.0	6.0	6.5
US seasonally adjusted rate % .	5.2	5.4	5.4	5.7

TABLE B
EMPLOYMENT AND UNEMPLOYMENT IN CALIFORNIA, UNADJUSTED DATA

	January 2005	December 2004	November 2004	January 2004
Civilian labor force* . . .	17,558,000	17,627,000	17,668,000	17,458,000
Total civilian employment . . .	16,463,000	16,630,000	16,636,000	16,245,000
Unemployment . . .	1,095,000	997,000	1,032,000	1,213,000
Unadjusted rate % . . .	6.2	5.7	5.8	6.9

* Labor force by place of residence including workers involved in trade disputes.

MONTHLY LABOR FORCE DATA FOR COUNTIES
JANUARY 2005 (Preliminary); 2004 BENCHMARK
NOT SEASONALLY ADJUSTED

	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	RATE
STATE TOTAL	17,558,000	16,463,000	1,095,000	6.2%

NOTE: EDD's Market Information Division has not yet received all of the data necessary to produce local industry and labor force statistics from the U.S. Bureau of Labor Statistics. EDD will release the local industry and labor force statistics after we have received and processed the data.